# SEMI ANNUAL FINANCIAL REPORT

As at 30 June 2022

EURONEXT

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# I. Semi Annual Financial Report as at 30 June 2022

### Performance and important events in the first half-year of 2022

For an overview of the main events that occurred during the first six months of 2022 and their impact on the unaudited Condensed Interim Consolidated Financial Statements as at 30 June 2022 please refer to Note 2 “Significant events and transactions” of the Condensed Interim Consolidated Financial Statements attached hereto and to the Press Releases, issued and available on Euronext’s website (**www.euronext.com**) as from 28 July 2022.

### Related party transactions

Euronext has related party relationships with its associates, joint ventures and key management personnel. Transactions with subsidiaries are eliminated on consolidation. For more details, please refer to Note 23 “Related parties” of the Condensed Interim Consolidated Financial Statements attached hereto.

### Risks and uncertainties

In the 2021 Universal Registration Document issued by Euronext N.V. on 31 March 2022, Euronext has described certain risks and risk factors, which could have a material adverse effect on the Company’s financial position and results. Those risk categories and risk factors can be found in Chapter 2 (pages 50 to 71) of the 2021 Universal Registration Document.

During the first six-months of 2022, these risk categories and risk factors did not substantially change. In view of Russia’s invasion of Ukraine and the measures taken by the European Union/European Economic Area, the United Kingdom and the United States related to sanctions on Russia, the Group’s overall risk position has not materially changed. The Group actively manages all impacts that it is aware of and analyses potential new risks on an ongoing basis.

For the second half-year of 2022, Euronext currently considers the risk categories and risk factors as described in the 2021 Universal Registration Document to be applicable. Additional risks not known to Euronext, or currently believed not to be material, could later turn out to have a material impact on Euronext’s business or financial position.

# II. Condensed Interim Consolidated Financial Statements as at 30 June 2022

## Contents

## Condensed Interim Consolidated Statement of Profit or Loss

| *In thousands of euros (except per share data)* | Note | Six months ended 30 June 2022 | | | Six months ended 30 June 2021 (Re-presented (a)) | | |
|---|---|---|---|---|---|---|---|
| | | Underlying items | Non-underlying items (b) | Total | Underlying items | Non-underlying items (b) | Total (a) |
| Revenue | 7 | 736,968 | — | 736,968 | 564,483 | — | 564,483 |
| Net treasury income through CCP business | 7 | 29,080 | — | 29,080 | 9,564 | — | 9,564 |
| Other income | 7 | 4,383 | — | 4,383 | 3,937 | — | 3,937 |
| **Total revenue and income** | | **770,431** | **—** | **770,431** | **577,984** | **—** | **577,984** |
| Salaries and employee benefits | 8 | (147,726) | (2,588) | (150,314) | (125,171) | (3,291) | (128,462) |
| Depreciation and amortisation | 9 | (33,280) | (45,484) | (78,764) | (24,301) | (22,910) | (47,211) |
| Other operational expenses | 10 | (148,826) | (11,009) | (159,835) | (104,294) | (32,453) | (136,747) |
| **Operating profit** | | **440,599** | **(59,081)** | **381,518** | **324,218** | **(58,654)** | **265,564** |
| Finance costs | 12 | (18,460) | — | (18,460) | (12,665) | (9,907) | (22,572) |
| Other net financing income/(expense) | 12 | 362 | — | 362 | 2,120 | — | 2,120 |
| Results from equity investments | 13 | — | — | — | 12,524 | — | 12,524 |
| Gain/(loss) on sale of subsidiaries | 14 | — | (930) | (930) | — | 2,680 | 2,680 |
| Share of net profit/(loss) of associates and joint ventures accounted for using the equity method, and impairments thereof | 15 | 5,902 | (1,526) | 4,376 | 5,821 | (4,294) | 1,527 |
| **Profit before income tax** | | **428,403** | **(61,537)** | **366,866** | **332,018** | **(70,175)** | **261,843** |
| Income tax expense | 16 | (113,452) | 16,193 | (97,259) | (84,858) | 10,454 | (74,404) |
| **Profit for the period** | | **314,951** | **(45,344)** | **269,607** | **247,160** | **(59,721)** | **187,439** |
| **Profit attributable to:** | | | | | | | |
| – Owners of the parent | | 307,608 | (44,897) | 262,711 | 244,010 | (59,166) | 184,844 |
| – Non-controlling interests | | 7,343 | (447) | 6,896 | 3,150 | (555) | 2,595 |
| **Basic earnings per share** | 19 | **2.89** | | **2.46** | **2.87** | | **2.17** |
| **Diluted earnings per share** | 19 | **2.88** | | **2.46** | **2.86** | | **2.17** |

*(a) The comparative period has been re-presented, comprising the removal of the exceptional items line and the addition of two columns reflecting 'underlying' and 'non-underlying' items. See Note 3 for more details.*
*(b) Details of non-underlying items are disclosed in Note 11.*

The above Condensed Interim Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

## Condensed Interim Consolidated Statement of Comprehensive Income

| | | Six months ended | |
|---|---|---|---|
| *In thousands of euros* | Note | 30 June 2022 | 30 June 2021 |
| **Profit for the period** | | **269,607** | **187,439** |
| **Other comprehensive income** | | | |
| Items that may be reclassified to profit or loss: | | | |
| – Exchange differences on translation of foreign operations | | (11,528) | 28,495 |
| – Income tax impact on exchange differences on translation of foreign operations | | 612 | (3,365) |
| – Change in value of debt investments at fair value through other comprehensive income | | (51,733) | (67) |
| – Income tax impact on change in value of debt investments at fair value through other comprehensive income | | 14,909 | 20 |
| Items that will not be reclassified to profit or loss: | | | |
| – Change in value of equity investments at fair value through other comprehensive income | | 34,861 | 3,173 |
| – Income tax impact on change in value of equity investments at fair value through other comprehensive income | | (7,676) | (589) |
| – Remeasurements of post-employment benefit obligations | | 10,887 | 3,392 |
| – Income tax impact on remeasurements of post-employment benefit obligations | | (1,284) | (363) |
| **Other comprehensive income for the period, net of tax** | | **(10,952)** | **30,696** |
| **Total comprehensive income for the period** | | **258,655** | **218,135** |
| **Comprehensive income attributable to:** | | | |
| – Owners of the parent | | 252,192 | 214,814 |
| – Non-controlling interests | | 6,463 | 3,321 |

The above Condensed Interim Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## Condensed Interim Consolidated Balance Sheet

| *In thousands of euros* | Note | As at 30 June 2022 | As at 31 December 2021 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | 103,794 | 97,580 |
| Right-of-use assets | | 53,187 | 66,168 |
| Goodwill and other intangible assets | 17 | 6,145,077 | 6,178,067 |
| Deferred tax assets | | 49,759 | 37,489 |
| Investments in associates and joint ventures | | 66,952 | 69,237 |
| Financial assets at fair value through other comprehensive income | 22 | 291,633 | 258,068 |
| Financial assets at amortised cost | 22 | 8,067 | 2,902 |
| Other non-current assets | | 1,196 | 1,317 |
| **Total non-current assets** | | **6,719,665** | **6,710,828** |
| **Current assets** | | | |
| Trade and other receivables | 22 | 544,744 | 394,986 |
| Other current assets | | 38,927 | 21,573 |
| Income tax receivables | | 15,640 | 9,965 |
| Derivative financial instruments | 21 | 96 | 11,913 |
| CCP clearing business assets | 22 | 168,663,044 | 137,750,884 |
| Other current financial assets | 22 | 142,563 | 157,590 |
| Cash and cash equivalents | 22 | 946,610 | 804,361 |
| **Total current assets** | | **170,351,624** | **139,151,272** |
| Assets from disposal groups held for sale | | 4,668 | 6,436 |
| **Total assets** | | **177,075,957** | **145,868,536** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Issued capital | 18 | 171,370 | 171,370 |
| Share premium | | 2,432,426 | 2,432,426 |
| Reserve own shares | | (32,813) | (42,778) |
| Retained earnings | | 1,083,125 | 1,022,921 |
| Other reserves | | 43,525 | 63,647 |
| **Shareholders' equity** | | **3,697,633** | **3,647,586** |
| Non-controlling interests | | 82,943 | 85,337 |
| **Total equity** | | **3,780,576** | **3,732,923** |
| **Non-current liabilities** | | | |
| Borrowings | 20 | 3,024,924 | 3,044,391 |
| Lease liabilities | 22 | 33,397 | 50,691 |
| Deferred tax liabilities | | 584,568 | 592,431 |
| Post-employment benefits | | 20,680 | 32,123 |
| Contract liabilities | | 68,883 | 70,276 |
| Provisions | | 7,777 | 8,847 |
| **Total non-current liabilities** | | **3,740,229** | **3,798,759** |
| **Current liabilities** | | | |
| Borrowings | 20 | 3,401 | 17,359 |
| Lease liabilities | 22 | 24,524 | 20,993 |
| CCP clearing business liabilities | 22 | 168,696,512 | 137,732,403 |
| Current income tax liabilities | | 41,862 | 42,068 |
| Trade and other payables | 22 | 675,118 | 439,856 |
| Contract liabilities | | 112,043 | 80,546 |
| Provisions | | 1,038 | 2,308 |
| **Total current liabilities** | | **169,554,498** | **138,335,533** |
| Liabilities from disposal groups held for sale | | 654 | 1,321 |
| **Total equity and liabilities** | | **177,075,957** | **145,868,536** |

The above Condensed Interim Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

## Condensed Interim Consolidated Statement of Cash Flows

| *In thousands of euros* | Note | Six months ended 30 June 2022 | Six months ended 30 June 2021 (Re-presented (a)) |
|---|---|---|---|
| **Profit before income tax** | | **366,866** | **261,843** |
| **Adjustments for:** | | | |
| • Depreciation and amortisation (a) | 9 | 78,764 | 47,211 |
| • Share based payments | 8 | 7,256 | 4,905 |
| • Share of profit from associates and joint ventures, and impairments thereof | 15 | (4,376) | (1,527) |
| • Changes in working capital and provisions (a) | | 111,784 | (22,720) |
| **Cash flow from operating activities** | | **560,294** | **289,712** |
| Income tax paid | | (114,861) | (105,099) |
| **Net cash generated by operating activities** | | **445,433** | **184,613** |
| **Cash flow from investing activities** | | | |
| Business combinations, net of cash acquired | 6 | (11,662) | (4,183,340) |
| Proceeds from sale of subsidiary | | 849 | 5,875 |
| Purchase of other current financial assets | | (17,361) | (37,658) |
| Redemption of other current financial assets | | 25,855 | 42,540 |
| Purchase of property, plant and equipment | | (15,635) | (4,766) |
| Purchase of intangible assets | 17 | (25,193) | (12,048) |
| Dividends received from equity investments | 13 | — | 12,522 |
| Dividends received from investments in associates | | 6,651 | — |
| Proceeds from sale of property, plant and equipment and intangible assets | | 15 | 20 |
| **Net cash (used in) investing activities** | | **(36,481)** | **(4,176,855)** |
| **Cash flow from financing activities** | | | |
| Proceeds from borrowings, net of transaction fees | | — | 5,472,755 |
| Repayment of borrowings, net of transaction fees | | — | (3,682,855) |
| Interest paid | | (28,710) | (15,212) |
| Interest received | | 5,665 | 5,000 |
| Settlement of derivative financial instruments | 21 | (8,887) | — |
| Dividends paid to the company's shareholders | 18 | (205,985) | (157,165) |
| Dividends paid to non-controlling interests | | (3,146) | (6,126) |
| Issuance of new shares, net of transaction fees | | — | 2,373,408 |
| Payment of lease liabilities | | (13,388) | (8,458) |
| Transactions in own shares | 18 | 5 | (308) |
| Employee Share transactions | | (3,413) | (3,778) |
| **Net cash (used in) / generated by financing activities** | | **(257,859)** | **3,977,261** |
| **Net (decrease)/increase in cash and cash equivalents** | | **151,093** | **(14,981)** |
| Cash and cash equivalents - Beginning of the period | | 809,409 | 629,469 |
| Non-cash exchange (losses)/gains on cash and cash equivalents | | (11,438) | 6,043 |
| **Cash and cash equivalents - End of the period** | | **949,064** | **620,531** |

*(a) The comparative period has been re-presented, see Note 3 for more details.*

The above Condensed Interim Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

## Condensed Interim Consolidated Statement of Changes in Equity

| *In thousands of euros* | Note | Issued capital | Share premium | Reserve own shares | Retained Earnings | Other reserves: Foreign currency translation reserve | Other reserves: reserve of financial assets at FVOCI | Total other reserves | Total Shareholders' equity | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 1 January 2021** | | **112,000** | **116,560** | **(19,867)** | **826,302** | **(54,492)** | **78,245** | **23,753** | **1,058,748** | **30,238** | **1,088,986** |
| Profit for the period | | — | — | — | 184,844 | — | — | — | 184,844 | 2,595 | 187,439 |
| Other comprehensive income for the period | | — | — | — | 3,029 | 24,404 | 2,537 | 26,941 | 29,970 | 726 | 30,696 |
| **Total comprehensive income for the period** | | **—** | **—** | **—** | **187,873** | **24,404** | **2,537** | **26,941** | **214,814** | **3,321** | **218,135** |
| Issuance of common stock | | 59,370 | 2,314,038 | — | — | — | — | — | 2,373,408 | — | 2,373,408 |
| Share based payments | | — | — | — | 5,016 | — | — | — | 5,016 | — | 5,016 |
| Dividends paid or provided for | | — | — | — | (157,165) | — | — | — | (157,165) | (16,021) | (173,186) |
| Transactions in own shares | 18 | — | — | (308) | — | — | — | — | (308) | — | (308) |
| Acquisition of non-controlling interest | | — | — | — | (48,973) | — | — | — | (48,973) | (6,654) | (55,627) |
| Non-controlling interests on acquisition of subsidiary | | — | — | — | — | — | — | — | — | 70,174 | 70,174 |
| Other movements | | — | — | 7,844 | (11,614) | — | — | — | (3,770) | — | (3,770) |
| **Balance as at 30 June 2021** | | **171,370** | **2,430,598** | **(12,331)** | **801,439** | **(30,088)** | **80,782** | **50,694** | **3,441,770** | **81,058** | **3,522,828** |
| | | | | | | | | | | | |
| **Balance as at 1 January 2022** | | **171,370** | **2,432,426** | **(42,778)** | **1,022,921** | **(10,631)** | **74,278** | **63,647** | **3,647,586** | **85,337** | **3,732,923** |
| Profit for the period | | — | — | — | 262,711 | — | — | — | 262,711 | 6,896 | 269,607 |
| Other comprehensive income for the period | | — | — | — | 9,603 | (10,483) | (9,639) | (20,122) | (10,519) | (433) | (10,952) |
| **Total comprehensive income for the period** | | **—** | **—** | **—** | **272,314** | **(10,483)** | **(9,639)** | **(20,122)** | **252,192** | **6,463** | **258,655** |
| Share based payments | | — | — | — | 7,256 | — | — | — | 7,256 | — | 7,256 |
| Dividends paid or provided for | | — | — | — | (205,985) | — | — | — | (205,985) | (8,688) | (214,673) |
| Transactions in own shares | 18 | — | — | 5 | — | — | — | — | 5 | — | 5 |
| Non-controlling interests on acquisition/ (disposal) of subsidiary | | — | — | — | — | — | — | — | — | (169) | (169) |
| Other movements | | — | — | 9,960 | (13,381) | — | — | — | (3,421) | — | (3,421) |
| **Balance as at 30 June 2022** | | **171,370** | **2,432,426** | **(32,813)** | **1,083,125** | **(21,114)** | **64,639** | **43,525** | **3,697,633** | **82,943** | **3,780,576** |

The above Condensed Interim Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Notes to the Condensed Interim Consolidated Financial Statements

### 1. General information

Euronext N.V. (“the Group” or “the Company”) is a public limited liability company incorporated and domiciled at Beursplein 5, 1012 JW Amsterdam in the Netherlands under Chamber of Commerce number 60234520 and is listed at the following Euronext local markets: Euronext Amsterdam, Euronext Brussels, Euronext Lisbon and Euronext Paris.

The Group operates securities and derivatives exchanges in Continental Europe, Ireland and Norway. It offers a full range of exchange- and corporate services, including security listings, cash and derivatives trading, and market data dissemination. It combines the Amsterdam, Brussels, Dublin, Lisbon, Milan, Oslo and Paris exchanges in a highly integrated, cross-border organisation.The Group also operates Interbolsa S.A. (Euronext Securities Porto), Verdipapirsentralen ASA (Euronext Securities Oslo), VP Securities AS (Euronext Securities Copenhagen) and Monte Titoli S.p.A. (Euronext Securities Milan) (respectively the Portuguese, Norwegian, Danish and Italian national Central Securities Depositories (CSDs)) and Cassa di Compensatione e Garanzia S.p.A. (Euronext Clearing), a fully owned Italian multi-asset clearing house.

The Group further owns Euronext FX Inc., a US-based Electronic Communication Network in the spot foreign exchange market, and has majority stakes in Nord Pool, a leading power market in Europe offering intraday and day-ahead trading in the physical energy markets, and MTS S.p.A., a leading trading platform for European government bonds.

The Group’s in-house IT function supports its exchange operations. In addition, the Group provides software licenses as well as IT development, operation and maintenance services to third-party exchanges.

These Condensed Interim Consolidated Financial Statements were authorised for issuance by Euronext N.V.’s Supervisory Board on 28 July 2022.

### 2. Significant events and transactions

The following significant events and transactions have occurred during the six-months period ended 30 June 2022:

**Acquisition of Spafid's Issuer Services Business**
On 1 April 2022, Euronext Securities Milan acquired the Issuer Services Business of Spafid S.p.A., which operates as an investment advisory firm and is a fully owned subsidiary of Mediobanca S.p.A.

The purchase consideration for this business acquisition amounted to €12.0 million. For more details on the acquisition, reference is made to Note 6.

**Acquisition of the technology businesses from Nexi’s capital markets activities**
On 14 June 2022, the Group announced the signing of the purchase of the technology businesses of Nexi S.p.A., an Italian bank specialised in payment systems, currently powering MTS and Euronext Securities Milan. The purchase price for this business acquisition approximates €57 million (on a debt free, cash free basis), subject to customary closing adjustments. The transaction is expected to close in the second half of 2022 and is subject to approvals from the competent authorities and completion of the union consultation procedure.

**Sale of subsidiary and impairment of joint venture**
During the first six months of 2022, the Group sold its 60% majority interest in subsidiary Finance Web Working S.A.S. ("Euronext Funds360") to FE Fundinfo, a global provider of data and tools management for the funds industry. The proceeds from the sale amounted to €0.8 million (net of cash). Including allocated goodwill, the loss from disposal of this subsidiary was €0.9 million (see Note 14).

In addition, following indications of a deteriorated future cash flow situation and Board decision to propose to the Shareholders meeting to liquidate the entity, management decided to impair its investment in joint venture LiquidShare by €1.5 million to zero value as per 30 June 2022 (see Note 15).

**Revaluation of direct- and indirect stakes in Euroclear S.A./N.V.**
For the determination of fair value of its direct and indirect investments in Euroclear S.A./N.V., the Group applied a weighted approach of the Gordon Growth model and recent observed market transactions taking into account an illiquidity discount for the limited number of transactions. The Group considered four recently observed transactions in 2022 and one observed transaction in 2021. This valuation method resulted in a total valuation of Euroclear S.A./N.V. of €4.9 billion and to an increase in fair value of Euronext S.A./N.V.’s direct- and indirect investments of €34.8 million as per 30 June 2022. This revaluation was recorded in Other Comprehensive Income.

**Termination of Interest Rate Swap agreements**
On 3 May 2022, the Group terminated its interest rate swap agreements which were formally designated and qualified as fair value hedges of Senior Unsecured Note #1. On termination, the Group cash settled the swap agreements that had a carrying amount of €8.9 million and the hedge relationship was discontinued.

As from the moment of discontinuation of the fair value hedge, the accumulated fair value adjustments of Senior Unsecured Note #1 will be amortised to profit or loss based on a recalculated Effective Interest Rate over the remaining term of the Senior Unsecured Note #1. As per 30 June 2022, the accumulated fair value adjustments amounted to €7.3 million (see Note 20).

**Migration of Euronext Data Centre from Basildon (UK) to Bergamo (Italy)**
On 6 June 2022, the Group completed the first part of the migration of its core data centre from Basildon (UK) to Bergamo (Italy). The core data centre migration was executed in order to pave the way for the migration of the Borsa Italiana equity and derivatives markets onto Euronext Optiq® trading technology by 2023/2024.

Partial accelerated depreciation of its right of use asset related to the Basildon data centre was recorded as non-underlying item (see Note 11).

**Long-Term Incentive Plan 2022**
On 23 May 2022, a Long-Term Incentive plan (“LTI 2022”) was established under the revised Remuneration Policy that was approved by the AGM in May 2021. The LTI cliff vests after 3 years whereby performance criteria will impact the actual number of shares at vesting date. The share price for this grant at grant date was €77.60 and 197,416 Restricted Stock Units (“RSU’s”) were granted. The total share-based payment expense at the vesting date in 2025 is estimated to be €13.5 million. As from the grant date, compensation expense recorded for this LTI 2022 plan amounted to €0.4 million in the income statement for the six months period ended 30 June 2022.

## 3. Basis of preparation, significant accounting policies and judgments

### A. Basis of preparation
The Group has prepared these Condensed Interim Consolidated Financial Statements in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. These Condensed Interim Consolidated Financial Statements should be read in conjunction with the Group’s Consolidated Financial Statements as of and for the fiscal year ended 31 December 2021, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”).

### B. Significant accounting policies and judgments
The principal accounting policies and critical accounting estimates and judgments applied in the preparation of these Condensed Interim Consolidated Financial Statements are consistent with those described in the Consolidated Financial Statements as of and for the year ended 31 December 2021, except for:

a. a change of presentation in the income statement comprising the removal of the exceptional items line and the addition of two columns reflecting 'underlying' and 'non-underlying' items, supported by an updated accounting policy;
b. the adoption of new and amended standards effective as of 1 January 2022; and
c. taxes on income in the interim periods which are accrued using the tax rate that would be applicable to expected total annual earnings in each tax jurisdiction;

The change of presentation in the income statement and updated accounting policy, and new and amended standards effective as of 1 January 2022 are set out below.

***(a) Change of presentation in the income statement and updated accounting policy***

As from 1 January 2022, the Group removed the line 'exceptional items' from its consolidated income statement and introduced a columnar format for the presentation of 'underlying' and 'non-underlying' items. This change has been established in order to provide the reader with supplemental data relating to the Group's financial condition and results of operations. The Group presents profit for the year before any 'non-underlying' items as this highlights more clearly trends in the Group’s business and gives an indication of the Group’s ongoing sustainable performance.

Accordingly, the exceptional items accounting policy, as presented in the consolidated financial statements for the year ended 31 December 2021, has been replaced by an updated accounting policy to reflect the extension to 'non-underlying' items. The updated accounting policy is reflected below:

***Non-underlying items***
Items of income and expense that are material by their size and/or that are infrequent and unusual by their nature or incidence are not considered to be incurred in the normal course of business and are classified as non-underlying items on the face of the income statement within their relevant category in order to provide further understanding of the ongoing sustainable performance of the Group.

Non-underlying items include:

• Operating Income and expense items which are material by their size and/or are infrequent and unusual by their nature, such as integration or double run costs of significant projects (one side of the cost to resource both the old and the new services within the project), restructuring costs and costs related to acquisitions that change the perimeter of the Group.
• Non-operating income and expense items which are material by their size and/or are infrequent and unusual by their nature, such as one-off finance costs, gains or losses on sale of subsidiaries and impairments of investments.
• Amortisation and impairment of intangible assets which are recognised as a result of acquisitions. These intangible assets mostly comprise customer relationships, brand names and software that were identified during purchase price allocation (PPA). This amortisation is presented as a non-underlying item in order to provide more meaningful information regarding the Group’s sustainable performance.
• Tax related to non-underlying items.

Non-underlying items are further disclosed in Note 11.

The above changes resulted in the following re-presentation of exceptional items to their respective categories for the comparative period:

| | Six months ended | | |
|---|---|---|---|
| *In thousands of euros* | **Reported 30 June 2021** | **Increase / (decrease)** | **Re-presented 30 June 2021** |
| **Interim Statement of Profit or Loss (extract)** | | | |
| Salaries and employee benefits | (125,171) | (3,291) | (128,462) |
| Depreciation and amortisation | (46,479) | (732) | (47,211) |
| Other operational expenses | (111,205) | (25,542) | (136,747) |
| **Operating profit before exceptional items** | **295,129** | **(29,565)** | **265,564** |
| Exceptional items | (29,565) | 29,565 | — |
| **Operating profit** | **265,564** | — | **265,564** |
| | | | |
| **Interim Statement of Cash Flows (extract)** | | | |
| **Adjustments for:** | | | |
| • Depreciation and amortisation | 46,479 | 732 | 47,211 |
| • Changes in working capital and provisions | (21,988) | (732) | (22,720) |
| **Cash flow from operating activities** | **289,712** | — | **289,712** |

***(b) New IFRS standards, amendments and interpretations***

A number of new or amended standards became applicable for the current reporting period, but did not have a material impact on the Group's Condensed Interim Consolidated Financial Statements:

- Amendments to IFRS 3 *'Reference to Conceptual framework'*
- Amendments to IAS 37 *'Onerous Contracts - Cost of Fulfilling a Contract'*
- Amendments to IAS 16 *'Proceeds before Intended Use'*
- Annual improvement Cycle – amendments and clarifications for IFRS 1, IFRS 9 and IAS 41

***Impact of standards issued but not yet effective***

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2022, which the Group has not applied in preparing these Condensed Interim Consolidated Financial Statements.

In the Consolidated Financial Statements of the Group as of and for the year ended 31 December 2021, the (potential) impact for a number of these new standards and amendments were mentioned. No updates on these mentioned new standards and amendments are to be reported in these Condensed Interim Consolidated Financial Statements.

## 4. Segment information

Segments are reported in a manner consistent with how the business is operated and reviewed by the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. The chief operating decision maker of the Group is the Extended Managing Board. The organisation of the Group reflects the high level of mutualisation of resources across geographies and product lines. Operating results are monitored on a group-wide basis and, accordingly, the Group represents one operating segment and one reportable segment. Operating results reported to the Extended Managing Board are prepared on a measurement basis consistent with the reported Condensed Interim Consolidated Statement of Profit or Loss.

## 5. Group information

The following tables provide an overview of the Group's subsidiaries, associates, joint-ventures and non-current investments:

| | | Ownership % | |
|---|---|---|---|
| **Subsidiaries** | **Domicile** | **As at 30 June 2022** | **As at 31 December 2021** |
| Euronext Amsterdam N.V. | The Netherlands | 100.00 | 100.00 |
| Euronext Brussels S.A./N.V. | Belgium | 100.00 | 100.00 |
| Euronext IP & IT Holding B.V. | The Netherlands | 100.00 | 100.00 |
| Euronext Hong Kong Limited | Hong Kong | 100.00 | 100.00 |
| Euronext Lisbon S.A. (a) | Portugal | 100.00 | 100.00 |
| Euronext London Ltd. | United Kingdom | 100.00 | 100.00 |
| Euronext Paris S.A. | France | 100.00 | 100.00 |
| Euronext Technologies S.A.S. | France | 100.00 | 100.00 |
| Euronext Technologies Unipessoal Lda. | Portugal | 100.00 | 100.00 |
| Euronext Technologies S.r.l. | Italy | 100.00 | 100.00 |
| Interbolsa S.A. (b),(c) | Portugal | 100.00 | 100.00 |
| The Irish Stock Exchange Plc. (d) | Ireland | 100.00 | 100.00 |
| Euronext Corporate Services B.V. | The Netherlands | 100.00 | 100.00 |
| Company Webcast B.V. | The Netherlands | 100.00 | 100.00 |
| iBabs B.V. | The Netherlands | 100.00 | 100.00 |
| IR Soft Ltd. | United Kingdom | 100.00 | 100.00 |
| InsiderLog AB | Sweden | 100.00 | 100.00 |
| Euronext US Inc. | United States | 100.00 | 100.00 |
| Euronext Market Services LLC | United States | 100.00 | 100.00 |
| Euronext Markets Americas LLC | United States | 100.00 | 100.00 |
| Euronext FX Inc. | United States | 100.00 | 100.00 |
| Euronext Markets Singapore Pte Ltd. | Singapore | 100.00 | 100.00 |
| Euronext UK Holding Ltd. | United Kingdom | 100.00 | 100.00 |
| Commcise Software Ltd. | United Kingdom | 100.00 | 100.00 |
| Euronext India Private Limited | India | 100.00 | 100.00 |
| Oslo Børs ASA | Norway | 100.00 | 100.00 |
| Verdipapirsentralen ASA ("VPS") (c) | Norway | 100.00 | 100.00 |
| Fish Pool ASA | Norway | 97.00 | 97.00 |
| NOTC AS | Norway | 100.00 | 100.00 |
| Euronext Nordics Holding AS | Norway | 100.00 | 100.00 |
| Finance Web Working SAS (e) | France | 0.00 | 60.00 |
| Nord Pool Holding AS | Norway | 66.00 | 66.00 |
| Nord Pool AS | Norway | 66.00 | 66.00 |
| Nord Pool Finland Oy | Finland | 66.00 | 66.00 |
| Nord Pool AB | Sweden | 66.00 | 66.00 |
| Nord Pool Consulting AS | Norway | 66.00 | 66.00 |
| Nord Pool European Market Coupling Operator AS | Norway | 66.00 | 66.00 |
| Nord Pool European Market Coupling Operator AB | Sweden | 66.00 | 66.00 |
| Nord Pool European Market Coupling Operator OY | Finland | 66.00 | 66.00 |
| Black Woodpecker Software Oy | Finland | 100.00 | 100.00 |
| Company Webcast France SAS | France | 100.00 | 100.00 |
| VP Securities AS (c) | Denmark | 100.00 | 100.00 |
| Euronext Italy Merger S.r.l. | Italy | 100.00 | 100.00 |
| Euronext Holding Italia S.p.A. | Italy | 100.00 | 100.00 |
| GATElab S.r.l. | Italy | 100.00 | 100.00 |
| GATElab Limited | United Kingdom | 100.00 | 100.00 |
| Bit Market Services S.p.A. | Italy | 99.99 | 99.99 |
| Borsa Italiana S.p.A. | Italy | 99.99 | 99.99 |
| Cassa di Compensazione e Garanzia S.p.A. (f) | Italy | 99.99 | 99.99 |
| Monte Titoli S.p.A. (c) | Italy | 98.92 | 98.92 |
| MTS S.p.A. | Italy | 62.52 | 62.52 |
| MTS Markets International Inc. | United States | 62.52 | 62.52 |
| Marche de Titres France SAS | France | 62.52 | 62.52 |
| Euro MTS Limited | United Kingdom | 62.52 | 62.52 |
| Elite S.p.A. | Italy | 74.99 | 74.99 |
| Elite Club Deal Limited (g) | United Kingdom | 74.99 | 74.99 |

| | | | |
|---|---|---|---|
| Elite SIM S.p.A. | Italy | 74.99 | 74.99 |
| Euronext Corporate Services S.r.l. | Italy | 100.00 | 100.00 |
| Stichting Euronext Foundation (h) | The Netherlands | 0.00 | 0.00 |

| **Associates** | **Domicile** | | |
|---|---|---|---|
| LCH SA | France | 11.10 | 11.10 |
| Tokeny Solutions | Luxembourg | 19.47 | 19.47 |
| MTS Associated Markets SA | Belgium | 23.00 | 23.00 |

| **Joint Ventures** | **Domicile** | | |
|---|---|---|---|
| LiquidShare S.A. | France | 16.23 | 16.23 |
| FinansNett Norge AS | Norway | 50.00 | 50.00 |

| **Non-current investments** | **Domicile** | | |
|---|---|---|---|
| Sicovam Holding S.A. | France | 9.60 | 9.60 |
| Euroclear S.A./N.V. | Belgium | 3.53 | 3.53 |
| Nordic Credit Rating AS | Norway | 5.00 | 5.00 |
| Association of National Numbering Agencies | Belgium | 2.20 | 2.20 |
| Investor Compensation Company Designated Activity Company | Ireland | 33.30 | 33.30 |

(a) *Legal name of Euronext Lisbon S.A. is Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A.*

(b) *Legal name of Interbolsa S.A. is Interbolsa - Sociedade Gestora de Sistemas de Liquidaçao e de Sistemas Centralizados de Valores Mobiliários, S.A.*

(c) *Interbolsa S.A., Verdipapirsentralen ASA, VP Securities AS and Monte Titoli S.p.A. respectively operate under the business names "Euronext Securities Porto", "Euronext Securities Oslo", "Euronext Securities Copenhagen" and "Euronext Securities Milan".*

(d) *The Irish Stock Exchange plc. operates under the business name "Euronext Dublin".*

(e) *On 3 March 2022, the Group sold its 60% ownership in Finance Web Working ("Euronext Funds360").*

(f) *Cassa di Compensazione e Garanzia S.p.A.operates under the business name "Euronext Clearing".*

(g) *Elite Club Deal Limited is under liquidation, which is expected to be finalised in the third quarter of 2022.*

(h) *Stichting Euronext Foundation is not owned by the Group but included in the scope of consolidation.*

## 6. Business combinations

The acquisitions that occurred during the six months period ended 30 June 2022 are set out below.

### 6.1. Acquisition of Spafid's Issuer Services Business

On 1 April 2022, Euronext Securities Milan acquired the Issuer Services Business of Spafid S.p.A., which operates as an investment advisory firm and is a fully owned subsidiary of Mediobanca S.p.A. The purchase consideration for this business acquisition amounted to €12.0 million.

The acquisition is an important step to further develop local added-value services to issuers, and to deliver on Euronext Securities' ambition to converge issuers services across all its locations (Denmark, Norway, Portugal and Italy). The agreement includes the transfer of business relationships with over 200 trusted customers, hardware, technical software tools and experienced personnel who will oversee and manage all operational aspects of the services.

As the initial book values of the net assets acquired were considered not material from a Euronext Group perspective, the preliminary goodwill equals the purchase consideration pending final valuation outcomes of the net identifiable assets acquired (including software and customer relationships), which had not been completed by the date these interim financial statements were authorised for issuance by Euronext N.V.'s Supervisory Board. Consequently, the goodwill is subject to subsequent purchase price allocation adjustments.

## 7. Revenue and income

### 7.1 Revenue from contracts with customers

Substantially all of the Group's revenues are considered to be revenues from contracts with customers.

The Group's power trading revenue is closely correlated to seasonal fluctuations caused by higher energy demands in winter versus lower energy demands in summer. The Group's other revenue streams are not subject to significant seasonality patterns, except that there are generally lower trading volumes and listing admissions during the summer period. Trading volumes are subject to market volatility.

The increase in revenues from contracts with customers was due to the fact that the first half-year of 2022 included the full impact from Borsa Italiana Group, whereas the comparative period only included the impact from Borsa Italiana Group as from the date of control, i.e. 29 April 2021.

Set out below is the disaggregation of the Group's revenue from contracts with customers for the six months ended 30 June:

| In thousands of euros | **Six months ended** | **Timing of revenue recognition** | | **Six months ended** | **Timing of revenue recognition a)** | |
|---|---|---|---|---|---|---|
| | | Product or service transferred | | | Product or service transferred | |
| **Major revenue stream** | **30 June 2022** | at a point in time | over time | **30 June 2021** | at a point in time | over time |
| Listing | 110,824 | 8,870 | 101,954 | 86,965 | 7,454 | 79,511 |
| *of which* | | | | | | |
| *Primary listing services and other* | *90,285* | *2,611* | *87,674* | *68,020* | *1,623* | *66,397* |
| *Corporate services* | *20,539* | *6,259* | *14,280* | *18,945* | *5,831* | *13,114* |
| Trading revenue | 280,030 | 268,793 | 11,237 | 208,744 | 204,930 | 3,814 |
| *of which* | | | | | | |
| *Cash trading* | *169,300* | *166,008* | *3,292* | *139,405* | *138,236* | *1,169* |
| *Derivatives trading* | *30,997* | *30,147* | *850* | *24,746* | *24,456* | *290* |
| *Fixed income trading* | *49,363* | *42,268* | *7,095* | *17,812* | *15,457* | *2,355* |
| *FX trading* | *14,426* | *14,426* | — | *11,763* | *11,763* | — |
| *Power trading* | *15,944* | *15,944* | — | *15,018* | *15,018* | — |
| Investor services | 4,534 | — | 4,534 | 4,481 | 140 | 4,341 |
| Advanced data services | 104,612 | 721 | 103,891 | 83,014 | 900 | 82,114 |
| Post-trade | 189,744 | 107,072 | 82,672 | 146,551 | 89,677 | 56,874 |
| *of which* | | | | | | |
| *Clearing* | *63,353* | *63,353* | — | *43,687* | *43,687* | — |
| *Custody & Settlement and other* | *126,391* | *43,719* | *82,672* | *102,864* | *45,554* | *57,310* |
| Euronext Technology solutions & other revenue | 47,224 | 666 | 46,558 | 34,728 | 705 | 34,023 |
| **Total revenue from contracts with customers** | **736,968** | **386,122** | **350,846** | **564,483** | **303,806** | **260,677** |

*(a) In the comparative period, certain lines have been reclassified from 'over time' to 'point in time' for a total amount of €8 million, not impacting total revenue for the year.*

### 7.2 Geographical information

The first half-year of 2022 included the full impact from Borsa Italiana Group (Italy), whereas the comparative period only included the impact from Borsa Italiana Group as from the date of control, i.e. 29 April 2021.

Set out below is the geographical information of the Group's revenue for the six months ended:

| *In thousands of euros* | France | Italy | Netherlands | United Kingdom | Belgium | Portugal | Ireland | United States | Norway | Sweden | Denmark | Finland | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **30 June 2022** | | | | | | | | | | | | | |
| Revenue from contracts with customers (a) | 196,795 | 227,296 | 96,232 | 3,896 | 15,386 | 17,541 | 19,970 | 15,672 | 102,853 | 2,101 | 38,960 | 266 | **736,968** |
| **30 June 2021** | | | | | | | | | | | | | |
| Revenue from contracts with customers (a) | 185,141 | 77,704 | 94,399 | 3,225 | 15,261 | 16,903 | 19,930 | 12,810 | 95,917 | 3,265 | 39,671 | 257 | **564,483** |

*(a) Cash trading, Derivatives trading, Clearing and Advanced data services revenues are attributed to the country where the exchange is domiciled. Revenues from other categories are attributed to the billing entity.*

### 7.3 Net treasury income through CCP business

Income recognised in the CCP clearing business executed by Euronext Clearing includes net treasury income earned on margin and default funds, held as part of the risk management process.

For the six months period ended 30 June 2022, net treasury income through CCP business amounted to €29.1 million and is the result of gross interest income of €100.5 million, less gross interest expense of €71.4 million (see Note 22.2.6). Where negative interest rates apply, the Group recognises interest paid on financial assets as a treasury expense, which amounted to €71.0 million, and interest received on clearing members' margin as treasury income, which amounted to €80.3 million.

### 7.4 Other income

Other income primarily consists of transitional income from services provided by Borsa Italiana Group to London Stock Exchange Group (LSEG) to facilitate the transition of ownership following the acquisition of Borsa Italiana Group.

Transitional Service Agreements ("TSA") were established, providing for temporary services rendered to or received from LSEG. Each individual service is priced separately, generally on a fixed fee basis, based on actual usage or mutually agreed service levels. The agreement was established on arm's length basis.

Services rendered to LSEG primarily include technology and various ancillary services. All such services to LSEG are transitional and, accordingly, the related income from LSEG is expected to be phased out after fiscal year 2023.

Expenses for services received from LSEG under this agreement are recognised in other operational expenses (see Note 10).

## 8. Salaries and employee benefits

| | Six months ended | |
|---|---|---|
| *In thousands of euros* | **30 June 2022** | **30 June 2021** |
| Salaries and other short term benefits | (104,982) | (89,250) |
| Social security contributions | (28,182) | (27,622) |
| Share-based payment costs | (7,256) | (4,905) |
| Pension cost - defined benefit plans | (4,244) | (1,493) |
| Pension cost - defined contribution plans | (3,062) | (1,901) |
| **Underlying salaries and employee benefits** | **(147,726)** | **(125,171)** |
| Non-underlying salaries and employee benefits | (2,588) | (3,291) |
| **Total** | **(150,314)** | **(128,462)** |

Underlying salaries and employee benefits increased, as the first half-year of 2022 includes the full impact from Borsa Italiana Group, whereas the comparative period only includes the impact from Borsa Italiana Group as from the date of control, i.e. 29 April 2021. Non-underlying salaries and employee benefits mainly related to cost incurred to integrate the Borsa Italiana Group activities with those of the Group and termination expenses in the various Euronext entities (see Note 11).

## 9. Depreciation and amortisation

| | Six months ended | |
|---|---|---|
| *In thousands of euros* | **30 June 2022** | **30 June 2021** |
| Depreciation of tangible fixed assets | (7,656) | (6,020) |
| Amortisation of intangible fixed assets | (14,148) | (8,769) |
| Amortisation of right-of-use assets | (11,476) | (9,512) |
| **Underlying depreciation and amortisation** | **(33,280)** | **(24,301)** |
| Non-underlying depreciation and amortisation | (45,484) | (22,910) |
| **Total** | **(78,764)** | **(47,211)** |

Underlying depreciation and amortisation increased, as the first half-year of 2022 includes the full impact from Borsa Italiana Group, whereas the comparative period only includes the impact from Borsa Italiana Group as from the date of control, i.e. 29 April 2021. Non-underlying depreciation and amortisation mainly related to amortisation of acquired intangible assets (PPA) and accelerated depreciation of the right-of-use asset of the datacentre in Basildon (see Note 11).

## 10. Other operational expenses

| | Six months ended | |
|---|---|---|
| *In thousands of euros* | **30 June 2022** | **30 June 2021** |
| Systems and communications | (58,196) | (33,530) |
| Professional services | (29,260) | (29,369) |
| Clearing expenses (a) | (18,054) | (16,756) |
| Accommodation | (6,223) | (4,122) |
| Other expenses (b) | (37,093) | (20,517) |
| **Underlying other operational expenses** | **(148,826)** | **(104,294)** |
| Non-underlying other operational expenses | (11,009) | (32,453) |
| **Total** | **(159,835)** | **(136,747)** |

*(a) Clearing expenses consist of the fees paid to LCH SA for services received under the Derivatives Clearing Agreement.*

*(b) Other expenses include marketing, taxes, insurance, travel, professional membership fees, corporate management and other expenses.*

Underlying other operational expenses increased, as the first half-year of 2022 includes the full impact from Borsa Italiana Group, whereas the comparative period only includes the impact from Borsa Italiana Group as from the date of control, i.e. 29 April 2021.

In addition, underlying other operational expenses include expenses for services received from LSEG under the TSA agreements, which include the use of operational systems and infrastructure, as well as certain market data, hosting, connectivity and other services. The services received from LSEG are expected to be transitional. For the six months period ended 30 June 2022, approximately €6.5 million of transitional costs were recognised (for the six months period ended 30 June 2021, approximately €3.0 million).

Non-underlying other operational expenses primarily comprises cost incurred to integrate the Borsa Italiana Group activities with those of the Group and costs related to acquisitions that change the perimeter of the Group (see Note 11).

## 11. Non-underlying items

| | Six months ended | |
|---|---|---|
| *In thousands of euros* | **30 June 2022** | **30 June 2021** |
| **Non-underlying salaries and employee benefits** | | |
| Integration -and double run costs a) | (3,076) | — |
| Restructuring costs | 488 | (3,291) |
| | **(2,588)** | **(3,291)** |
| **Non-underlying depreciation and amortisation** | | |
| Integration -and double run costs a) | (2,224) | — |
| Amortisation and impairment of acquired intangible assets (PPA) b) | (41,889) | (22,178) |
| Amortisation and impairment of other (in)tangible assets | (1,371) | (732) |
| | **(45,484)** | **(22,910)** |
| **Non-underlying other operational expenses** | | |
| Integration -and double run costs a) | (9,663) | (6,908) |
| Acquisition costs c) | (1,034) | (27,461) |
| Other | (312) | 1,916 |
| | **(11,009)** | **(32,453)** |
| **Non-underlying non-operating items d)** | | |
| Finance costs | — | (9,907) |
| Gain/(loss) on sale of subsidiaries | (930) | 2,680 |
| Impairment of associates and joint ventures | (1,526) | (4,294) |
| | **(2,456)** | **(11,521)** |
| **Non-underlying items before tax** | **(61,537)** | **(70,175)** |
| Tax on non-underlying items e) | 16,193 | 10,454 |
| Non-controlling interest | 447 | 555 |
| **Non-underlying profit / (loss) for the period attributable to the shareholders of the Company** | **(44,897)** | **(59,166)** |

*a) The total integration- and double run costs amounted to €15.0 million (2021: €6.9 million) and were attributable to significant projects and activities to integrate the Borsa Italiana Group businesses with those of the Group.*

*b) Amortisation of intangible assets that were recorded as a result of acquisitions amounted to €41.9 million (2021: €22.2 million).*

*c) The acquisition costs of €1.0 million mainly related to the acquisitions of Spafid's Issuer Services Business and the technology businesses of Nexi S.p.A.. In the comparative period, the acquisition costs of €27.5 million related to the acquisition of Borsa Italiana Group.*

*d) The non-underlying non-operating items comprised a €0.9 million loss on sale of the interest in subsidiary Finance Web Working SAS and a €1.5 million impairment of investment in joint venture LiquidShare. The comparative period included €9.9 million of fees related to the bridge loan facility, a €2.7 million gain on sale of the interests in subsidiaries Centevo AB and Oslo Market Solutions AS and a €4.3 million impairment of investment in associate Tokeny Solutions.*

*e) After the determination that an item is taxable, the tax impact of the Group's non-underlying items of the individual entities of the Group to which the non-underlying items relate, is computed based on the tax rates applicable to the respective territories in which the entity operates.*

## 12. Net financing income / (expense)

| | Six months ended | |
|---|---|---|
| *In thousands of euros* | **30 June 2022** | **30 June 2021** |
| Interest expense (effective interest method) | (18,102) | (12,347) |
| Interest in respect of lease liabilities | (358) | (318) |
| **Underlying finance costs** | **(18,460)** | **(12,665)** |
| Non-underlying finance costs | — | (9,907) |
| **Total finance costs** | **(18,460)** | **(22,572)** |
| | | |
| Interest income (effective interest method) | 1,334 | 585 |
| Interest income from interest rate swaps | 1,479 | 2,484 |
| Hedging result | — | (307) |
| Gain / (loss) on disposal of treasury investments | (2,107) | (496) |
| Net foreign exchange gain/(loss) | (344) | (146) |
| **Other net financing income/(expense)** | **362** | **2,120** |
| **Total** | **(18,098)** | **(20,452)** |

Underlying finance costs for the six months period ended 30 June 2022 includes the full half-year impact of interest expenses on the Senior Unsecured Notes #3, #4 and #5. issued in May 2021 for the purpose of repayment of the bridge loan facility.

Non-underlying finance costs comprises fees related to the bridge loan facility, that was used to pre-finance the acquisition of Borsa Italiana Group in 2021.

Interest income from interest rate swaps decreased, following the termination of the interest rate swap agreements in May 2022.

## 13. Results from equity investments

| | Six months ended | |
|---|---|---|
| *In thousands of euros* | **30 June 2022** | **30 June 2021** |
| Dividend income | — | 12,524 |
| **Total** | **—** | **12,524** |

During the six months period ended 30 June 2022, no dividends were received from Euroclear S.A./N.V. and Sicovam Holding SA. The comparative period includes dividend received from Euroclear S.A./N.V. and Sicovam Holding SA.

## 14. Gain/(loss) on sale of subsidiaries

During the first six months of 2022, the Group sold its 60% majority interests in Finance Web Working SAS (Euronext Funds360). Proceeds of the sale were €0.8 million (net of cash). Including allocated goodwill of €2.2 million, the loss from disposal of this subsidiary was €0.9 million.

During the comparative period, the Group sold its interests in subsidiaries Centevo AB and Oslo Market Solutions AS, resulting in a combined gain from disposal of €2.7 million.

In both periods, the gain and (loss) on sale of subsidiaries are reflected as non-underlying items in the consolidated statement of profit or loss (see Note 11).

## 15. Share of net profit/(loss) of associates and joint ventures

The share of net profit /(loss) of associates and joint ventures is primarily contributed by associate LCH SA for €6.0 million (2021: €5.7 million). Furthermore, an impairment loss for joint venture Liquidshare of €1.5 million was recognised and reflected as non-underlying item in the consolidated statement of profit or loss (see Note 11).

The comparative period included an impairment loss for associate Tokeny Solutions of €4.3 million, which was reflected as non-underlying item in the consolidated statement of profit or loss (see Note 11).

## 16. Income tax expense

Income tax expense for the interim period is recognised by reference to management's estimate of the weighted average income tax rate expected for the full fiscal year, with the exception of discrete "one-off" items which are recorded in full in the interim period.

The underlying effective tax rate slightly increased from 25.6% for the six months ended 30 June 2021 to 26.5% for the six months ended 30 June 2022.

The total effective tax rate decreased from 28.4% for the six months ended 30 June 2021 to 26.5% for the six months ended 30 June 2022. The decrease in effective tax rate is largely explained due to non-deductible expenses incurred for the Borsa Italiana Group acquisition in 2021, which impacted the comparative period.

## 17. Goodwill and other intangible assets

The Goodwill held by the Group increased primarily as a result of the acquisition of the Issuer Services Business of Spafid. See Note 6 for further information on this acquisition.

| | | | | Fair value adjustment intangible assets recognised on business combinations | | | |
|---|---|---|---|---|---|---|---|
| *In thousands of euros* | **Goodwill** | **Internally developed software** | **Purchased software / Construction in progress/ Patents and Trademarks** | **Software** | **Customer Relations** | **Brand Names** | **Total** |
| **As at 31 December 2021** | | | | | | | |
| Cost | 3,999,783 | 189,510 | 239,682 | 171,228 | 2,048,011 | 37,675 | 6,685,889 |
| Accumulated amortisation and impairment | (54,369) | (129,823) | (202,436) | (42,729) | (71,250) | (7,215) | (507,822) |
| **Net book amount** | **3,945,414** | **59,687** | **37,246** | **128,499** | **1,976,761** | **30,460** | **6,178,067** |
| | | | | | | | |
| **As at 1 January 2022 net book amount** | **3,945,414** | **59,687** | **37,246** | **128,499** | **1,976,761** | **30,460** | **6,178,067** |
| Exchange differences | (7,391) | 106 | 17 | (740) | (3,959) | 398 | (11,569) |
| Additions | — | 22,234 | 2,959 | — | — | — | 25,193 |
| Impairment charge / write off | — | — | — | — | — | — | — |
| Transfers and other | — | 87 | 278 | — | — | — | 365 |
| Business combinations (Note 6) | 12,000 | — | — | — | — | — | 12,000 |
| Disposal of subsidiaries/business | (2,163) | — | (50) | — | — | — | (2,213) |
| Amortisation charge (Note 9) | — | (6,350) | (8,783) | (10,719) | (30,041) | (873) | (56,766) |
| **As at 30 June 2022 net book amount** | **3,947,860** | **75,764** | **31,667** | **117,040** | **1,942,761** | **29,985** | **6,145,077** |
| | | | | | | | |
| **As at 30 June 2022** | | | | | | | |
| Cost | 4,002,199 | 206,488 | 242,824 | 158,324 | 2,043,505 | 32,023 | 6,685,363 |
| Accumulated amortisation and impairment | (54,339) | (130,724) | (211,157) | (41,284) | (100,744) | (2,038) | (540,286) |
| **Net book amount** | **3,947,860** | **75,764** | **31,667** | **117,040** | **1,942,761** | **29,985** | **6,145,077** |

As there were no indicators for impairment, management has not updated any of the impairment calculations as per 30 June 2022. Management is closely monitoring interest evolution, given the announced interest rate hikes expected in the second half of the year.

The increase of internally developed software mainly related to investments for the Group's trading platform Optiq and the core data centre in Bergamo.

## 18. Shareholders' equity

Under the Articles of Association, the Company's authorised share capital amounts to €200,000,001.60 and is divided into 125,000,000 Ordinary Shares and one Priority Share, each with a nominal value of €1.60 per share. All of Euronext's shares have been or will be created under Dutch law.

As of 30 June 2022, the Company's issued share capital amounts to €171,370,070 and is divided into 107,106,294 Ordinary Shares. The Priority Share is currently not outstanding. The fully paid ordinary shares carry one vote per share and rights to dividends, if declared. The Group's ability to declare dividends is limited to distributable reserves as defined by Dutch law.

***Treasury shares***

The movements in treasury shares were as follows, during the six months period ended 30 June:

| **Movements in treasury shares during the half-year** | **Shares 2022** | **Shares 2021** | **Total Value 2022** | **Total Value 2021** |
|---|---|---|---|---|
| | | | *(In thousands of euros)* | *(In thousands of euros)* |
| Liquidity contract (a) | - | 2,850 | 5 | 308 |
| Share Repurchase Program (b) | - | - | - | - |
| From share-based payments (c) | (146,098) | (138,867) | (9,960) | (7,844) |

*(a) The movement in value of €5k during the first half of 2022, relates to the transactions in Euronext N.V. shares conducted by the liquidity provider on behalf of the Group under the liquidity contract established.*

*(b) Under the Share Repurchase Program, no shares were repurchased by the Group during the first half of 2022.*

*(c) 146,098 shares were delivered to employees for whom share plans had already vested during the first half of 2022.*

***Dividend***

On 18 May 2022, the Annual General Meeting of shareholders voted for the adoption of the proposed €1.93 dividend per ordinary share, representing a 50% pay-out ratio of net profit. On 25 May 2022, the dividend of €206.0 million was paid to the shareholders of Euronext N.V.

## 19. Earnings per Share

*Basic*

Earnings per share are computed by dividing profit attributable to the shareholders of the Company by the weighted average number of shares outstanding for the period. The number of weighted average shares used for the basic earnings per share calculation for the six months ended 30 June 2022 was 106,616,256 (30 June 2021: 85,094,834).

*Diluted*

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The impact of share plans is determined by the number of shares that could have been acquired at fair value (determined as the average quarterly market price of Euronext's shares) based on the fair value (measured in accordance with IFRS 2) of any services to be supplied to Euronext in the future under these plans. The number of weighted average shares used for the diluted earnings per share calculation for the six months ended 30 June 2022 was 106,802,961 (30 June 2021: 85,290,349).

## 20. Borrowings

| *In thousands of euros* | Balance at 31 December 2021 | New issues | Repayments | Acquisition of subsidiary | Fair Value adjustments to interest rate hedge | Other movements | Balance at 30 June 2022 |
|---|---|---|---|---|---|---|---|
| **Non-current** | | | | | | | |
| Borrowings | | | | | | | |
| Senior Unsecured note #1 (a) | 513,139 | — | — | — | (20,387) | — | 492,752 |
| Senior Unsecured note #2 | 750,000 | — | — | — | — | — | 750,000 |
| Senior Unsecured note #3 | 600,000 | — | — | — | — | — | 600,000 |
| Senior Unsecured note #4 | 600,000 | — | — | — | — | — | 600,000 |
| Senior Unsecured note #5 | 600,000 | — | — | — | — | — | 600,000 |
| Discount, premium and issue costs | (21,929) | — | — | — | — | — | (21,929) |
| Amortisation discount, premium and issue costs | 3,181 | — | — | — | — | 920 | 4,101 |
| **Total** | **3,044,391** | **—** | **—** | **—** | **(20,387)** | **920** | **3,024,924** |
| **Current** | | | | | | | |
| Borrowings | | | | | | | |
| Accrued interest | 17,359 | — | (28,710) | — | — | 14,752 | 3,401 |
| **Total** | **17,359** | **—** | **(28,710)** | **—** | **—** | **14,752** | **3,401** |

(a) *The Senior Unsecured Note #1 is carried at amortised cost and was adjusted for fair value movements due to the hedged interest rate risk until 3 May 2022.*

**Senior Unsecured Note #1**

On 3 May 2022, the Group terminated its interest rate swap agreements which were formally designated and qualified as fair value hedges of Senior Unsecured Note #1. On termination, the Group cash settled the swap agreements and the hedge relationship was discontinued.

As from the moment of discontinuation of the fair value hedge, the accumulated fair value adjustments of Senior Unsecured Note #1 will be amortised to profit or loss based on a recalculated Effective Interest Rate over the remaining term of Senior Unsecured Note #1. The accumulated fair value adjustments amounted to a negative €7.3 million as per 30 June 2022.

## 21. Derivative financial instruments

*Fair value hedges for interest rate risk*

In relation to the 1% fixed-rate €500 million Senior Unsecured Note #1, issued in April 2018, the Group used interest rate swap agreements (formally designated as fair value hedges) to reduce the variability of the fair value of the Senior Unsecured Note #1 attributable to the change in interest rate.

On 3 May 2022, the Group terminated its interest rate swap agreements. On termination, the Group cash settled the swap agreements at a carrying amount of €8.9 million and the hedge relationship was discontinued.

As the hedge was effective, no amounts for ineffectiveness were recognised in 'hedging result' in the Consolidated Statement of Profit or Loss for the six months period ended 30 June 2022.

The Group does not hold or issue any derivative instruments for trading or speculative purposes.

## 22. Financial instruments

Set out below are the financial instruments held by the Group at 30 June 2022 and 31 December 2021.

### 22.1. Financial instruments by category

| | As at 30 June 2022 | | | | |
|---|---|---|---|---|---|
| *In thousands of euros* | Amortised cost | FVOCI equity instruments | FVOCI debt instruments | FVPL | Total |
| **Financial assets** | | | | | |
| CCP trading assets at fair value | — | — | — | 7,600,521 | 7,600,521 |
| Assets under repurchase transactions | 134,889,739 | — | — | — | 134,889,739 |
| Other financial assets traded but not yet settled | — | — | — | 44,773 | 44,773 |
| Debt instruments at fair value through other comprehensive income | — | — | 4,901,253 | — | 4,901,253 |
| Other instruments held at fair value | — | — | — | 2,614 | 2,614 |
| Other receivables from clearing members | 10,979,815 | — | — | — | 10,979,815 |
| Cash and cash equivalents of clearing members | 10,244,329 | — | — | — | 10,244,329 |
| **Total financial assets of the CCP clearing business** | **156,113,883** | **—** | **4,901,253** | **7,647,908** | **168,663,044** |
| | | | | | |
| Financial assets at fair value through other comprehensive income | — | 242,519 | 49,114 | — | 291,633 |
| Financial assets at amortised cost | 8,067 | — | — | — | 8,067 |
| Trade and other receivables | 544,744 | — | — | — | 544,744 |
| Derivative financial instruments | — | — | — | 96 | 96 |
| Other current financial assets | 49,972 | — | 92,591 | — | 142,563 |
| Cash and cash equivalents | 946,610 | — | — | — | 946,610 |
| **Total** | **157,663,276** | **242,519** | **5,042,958** | **7,648,004** | **170,596,757** |
| **Financial liabilities** | | | | | |
| CCP trading liabilities at fair value | — | — | — | 7,600,521 | 7,600,521 |
| Liabilities under repurchase transactions | 134,889,739 | — | — | — | 134,889,739 |
| Other financial liabilities traded but not yet settled | — | — | — | 45,144 | 45,144 |
| Other payables to clearing members | 26,161,108 | — | — | — | 26,161,108 |
| **Total financial liabilities of the CCP clearing business** | **161,050,847** | **—** | **—** | **7,645,665** | **168,696,512** |
| | | | | | |
| Borrowings (non-current) | 3,024,924 | — | — | — | 3,024,924 |
| Lease liabilities (non-current) | 33,397 | — | — | — | 33,397 |
| Borrowings (current) | 3,401 | — | — | — | 3,401 |
| Lease liabilities (current) | 24,524 | — | — | — | 24,524 |
| Trade and other payables | 675,118 | — | — | — | 675,118 |
| **Total** | **164,812,211** | **—** | **—** | **7,645,665** | **172,457,876** |

The nature and composition of the CCP clearing business assets and liabilities are explained in the accounting policies section in Note 3 of the Group's annual consolidated financial statements for the year ended 31 December 2021.

| *In thousands of euros* | Amortised cost | As at 31 December 2021<br>FVOCI equity instruments | FVOCI debt instruments | FVPL | Total |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| | | | | | |
| CCP trading assets at fair value | — | — | — | 11,123,682 | 11,123,682 |
| Assets under repurchase transactions | 105,638,953 | — | — | — | 105,638,953 |
| Other financial assets traded but not yet settled | — | — | — | 4,126 | 4,126 |
| Debt instruments at fair value through other comprehensive income | — | — | 4,460,408 | — | 4,460,408 |
| Other instruments held at fair value | — | — | — | 1,190 | 1,190 |
| Other receivables from clearing members | 5,857,349 | — | — | — | 5,857,349 |
| Cash and cash equivalents of clearing members | 10,665,176 | — | — | — | 10,665,176 |
| **Total financial assets of the CCP clearing business** | **122,161,478** | **—** | **4,460,408** | **11,128,998** | **137,750,884** |
| | | | | | |
| Financial assets at fair value through other comprehensive income | — | 207,693 | 50,375 | — | 258,068 |
| Financial assets at amortised cost | 2,902 | — | — | — | 2,902 |
| Trade and other receivables | 394,986 | — | — | — | 394,986 |
| Derivative financial instruments | — | — | — | 11,913 | 11,913 |
| Other current financial assets | 50,091 | — | 107,499 | — | 157,590 |
| Cash and cash equivalents | 804,361 | — | — | — | 804,361 |
| **Total** | **123,413,818** | **207,693** | **4,618,282** | **11,140,911** | **139,380,704** |
| **Financial liabilities** | | | | | |
| | | | | | |
| CCP trading liabilities at fair value | — | — | — | 11,123,682 | 11,123,682 |
| Liabilities under repurchase transactions | 105,638,953 | — | — | — | 105,638,953 |
| Other financial liabilities traded but not yet settled | — | — | — | 4,126 | 4,126 |
| Other payables to clearing members | 20,965,642 | — | — | — | 20,965,642 |
| **Total financial liabilities of the CCP clearing business** | **126,604,595** | **—** | **—** | **11,127,808** | **137,732,403** |
| | | | | | |
| Borrowings (non-current) | 3,044,391 | — | — | — | 3,044,391 |
| Lease liabilities (non-current) | 50,691 | — | — | — | 50,691 |
| Borrowings (current) | 17,359 | — | — | — | 17,359 |
| Lease liabilities (current) | 20,993 | — | — | — | 20,993 |
| Trade and other payables | 439,856 | — | — | — | 439,856 |
| **Total** | **130,177,885** | **—** | **—** | **11,127,808** | **141,305,693** |

## 22.2. Fair value measurement

This note provides an update on the judgments and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

### 22.2.1. Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: inputs that are based on observable market data, directly or indirectly
- Level 3: unobservable inputs

| *In thousands of euros* | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **As at 30 June 2022** | | | | |
| **Assets** | | | | |
| Financial assets at FVOCI | | | | |
| Unlisted equity securities | — | — | 242,519 | 242,519 |
| Quoted debt instruments | 141,705 | — | — | 141,705 |
| Quoted debt instruments of CCP clearing business | 4,901,253 | — | — | 4,901,253 |
| Financial assets at FVPL | | | | — |
| Derivative instruments of CCP clearing business | 7,600,521 | — | — | 7,600,521 |
| Other instruments of CCP clearing business | 47,386 | — | — | 47,386 |
| Other derivative instruments (a) | — | 96 | — | 96 |
| **Total assets** | **12,690,865** | **96** | **242,519** | **12,933,480** |
| **Liabilities** | | | | |
| Financial liabilities at FVPL | | | | |
| Derivative instruments of CCP clearing business | 7,600,521 | — | — | 7,600,521 |
| Other instruments of CCP clearing business | 45,144 | — | — | 45,144 |
| **Total liabilities** | **7,645,665** | **—** | **—** | **7,645,665** |

*a) Includes foreign exchange spot transactions of €96k in Nord Pool*

| | | | | |
|---|---|---|---|---|
| **As at 31 December 2021** | | | | |
| **Assets** | | | | |
| Financial assets at FVOCI | | | | |
| Unlisted equity securities | — | — | 207,693 | 207,693 |
| Quoted debt instruments | 157,874 | — | — | 157,874 |
| Quoted debt instruments of CCP clearing business | 4,460,408 | — | — | 4,460,408 |
| Financial assets at FVPL | | | | |
| Hedging derivatives - interest rate swaps (a) | — | 11,913 | — | 11,913 |
| Derivative instruments of CCP clearing business | 11,123,682 | — | — | 11,123,682 |
| Other instruments of CCP clearing business | 5,316 | — | — | 5,316 |
| **Total assets** | **15,747,280** | **11,913** | **207,693** | **15,966,886** |
| **Liabilities** | | | | |
| Financial liabilities at FVPL | | | | |
| Derivative instruments of CCP clearing business | 11,123,682 | — | — | 11,123,682 |
| Other instruments of CCP clearing business | 4,126 | — | — | 4,126 |
| **Total liabilities** | **11,127,808** | **—** | **—** | **11,127,808** |

*a) Includes foreign exchange spot transactions of €12k in Nord Pool*

There were no transfers between the levels of fair value hierarchy in the six months period ended 30 June 2022.

### 22.2.2. Fair value measurements using quoted prices in active markets for identical assets or liabilities (level 1)

The quoted debt instruments primarily relate to investments in listed bonds held by Euronext Securities Copenhagen and Euronext Clearing's own fund investments in government bonds.

The quoted debt instruments of CCP clearing business represent an investment portfolio in predominantly government bonds funded by the margins and default funds deposited by members of the CCP clearing business.

The derivative instruments of CCP clearing business comprise open transactions not settled at the reporting date on the derivatives market in which Euronext Clearing operates as a central counterparty. The other instruments of CCP clearing business include clearing member trading balances for equity and debt instruments that are marked to market on a daily basis.

Fair values of the instruments mentioned above are determined by reference to published price quotations in an active market.

### 22.2.3. Fair value measurements using observable market data, directly or indirectly (level 2)

The fair value of interest rate swaps was calculated as the present value of the estimated future net cash flows based on observable yield curves at the reporting date.

### 22.2.4. Fair value measurements using unobservable inputs (level 3)

The following table presents the changes in level 3 instruments for the six months period ended 30 June 2022:

| *In thousands of euros* | **Unlisted equity securities** |
|---|---|
| **As at 31 December 2021** | **207,693** |
| | |
| Revaluations recognised in OCI | 34,861 |
| Payments | — |
| Exchange differences | (35) |
| **As at 30 June 2022** | **242,519** |

**Valuation process**
Concerning the valuation process for fair value measurement categorised within level 3 of the fair value hierarchy, the Group's central treasury department collects and validates the available level 3 inputs and performs the valuation according to the Group's valuation methodology for each reporting period. The fair value estimates are discussed with-, and challenged by the Group Finance Director and the Chief Financial Officer. Periodically the values of investments categorized in "level 3" are validated by staff with extensive knowledge of the industry in which the invested companies operate. Although valuation techniques are applied consistently as a principle, Management, upon advice from the Group's valuation experts, may decide to replace a valuation technique if such a change would improve the quality or the reliability of the valuation process.

**Unlisted equity securities in Euroclear S.A./N.V. and Sicovam Holding S.A.**
For measuring fair value of its long-term investments in unlisted equity securities in Euroclear S.A/N.V. and Sicovam Holding S.A., the Group applied a weighted approach, using both the Gordon Growth Model (with return on equity and expected dividend growth rate as key non-observable parameters) and recent observed market transactions taking into account an illiquidity discount for the limited number of transactions. In addition, for measuring the fair value of Sicovam Holding S.A, the Group applied an illiquidity discount as an unobservable input for which a sensitivity impact of +10%/(-10%) would amount to a decrease or (increase) of €7.6 million in the fair value (2021: €6.6 million).

The key assumptions used in the Gordon Growth Model valuation model are shown in the tables below. The sensitivity analysis shows the impact on fair value using the most favorable combination (increase), or least favorable combination (decrease) of the unobservable inputs per investment in unlisted equity securities.

**30 June 2022:**

| *In thousands of euros* | **Fair value at 30 June 2022** | **Unobservable inputs *)** | **Range of inputs (probability-weighted average)** | **Relationship of unobservable inputs to fair value** | |
|---|---|---|---|---|---|
| | | | | **Increase** | **decrease** |
| Euroclear S.A./N.V. | 173,419 | Return on equity | 8.5% - 9.5% (9.0%) | 4,813 | (5,332) |
| | | Expected dividend growth rate | 0.5% - 1.5% (1.0%) | | |
| Sicovam Holding S.A. | 68,753 | Return on equity | 8.5% - 9.5% (9.0%) | 1,872 | (2,074) |
| | | Expected dividend growth rate | 0.5% - 1.5% (1.0%) | | |

**) There were no significant inter-relationships between unobservable inputs that materially affect fair value*

**31 December 2021:**

| *In thousands of euros* | **Fair value at 31 December 2021** | **Unobservable inputs *)** | **Range of inputs (probability-weighted average)** | **Relationship of unobservable inputs to fair value** | |
|---|---|---|---|---|---|
| | | | | **Increase** | **decrease** |
| Euroclear S.A./N.V. | 148,256 | Return on equity | 8.5% - 9.5% (9.0%) | 4,748 | (5,488) |
| | | Expected dividend growth rate | 0.5% - 1.5% (1.0%) | | |
| Sicovam Holding S.A. | 59,083 | Return on equity | 8.5% - 9.5% (9.0%) | 1,779 | (2,202) |
| | | Expected dividend growth rate | 0.5% - 1.5% (1.0%) | | |

**) There were no significant inter-relationships between unobservable inputs that materially affect fair value*

### 22.2.5. Fair values of other financial instruments

The Group also has a number of financial instruments which are not measured at fair value in the balance sheet. For these instruments the fair values approximate their carrying amounts.

As per 30 June 2022, trade and other receivables included €237.5 million (2021: €116.5 million) of Nord Pool power sales positions and trade and other payables included €459.8 million (2021: €188.6 million) of Nord Pool power purchases positions. The increase is the result of higher energy prices at end of June 2022.

### 22.2.6. Net Treasury Income by classification

For the six months period ended 30 June 2022, net treasury income from CCP clearing business is earned from instruments held at amortised cost or fair value as follows:

- A net €36.8 million (€81.9 million income and €45.1 million expense) was earned from financial assets and financial liabilities held at amortised cost (2021: a net €10.9 million earned (€22.3 million income and €11.4 million expense)).
- A net €7.7 million loss (€18.7 million income and €26.4 million expense) was incurred from assets held at fair value (2021: a net €1.3 million loss (€9.8 million income and €11.1 million expense).

### 22.2.7. Offsetting within clearing member balances

CCP clearing business financial assets and liabilities are offset and only the net amount is presented in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. The following tables show the offsetting breakdown by products:

| | 30 June 2022 | | |
|---|---|---|---|
| *In thousands of euros* | **Gross amounts** | **Amount offset** | **Net amount as reported** |
| Derivative financial asset | 25,859,480 | (18,258,959) | 7,600,521 |
| Reverse repurchase agreements | 148,188,789 | (13,299,050) | 134,889,739 |
| Other | 102,925 | (58,152) | 44,773 |
| **Total assets** | **174,151,194** | **(31,616,161)** | **142,535,033** |
| Derivative financial liabilities | (25,859,480) | 18,258,959 | (7,600,521) |
| Reverse repurchase agreements | (148,188,789) | 13,299,050 | (134,889,739) |
| Other | (102,925) | 58,152 | (44,773) |
| **Total liabilities** | **(174,151,194)** | **31,616,161** | **(142,535,033)** |

| | 31 December 2021 | | |
|---|---|---|---|
| *In thousands of euros* | **Gross amounts** | **Amount offset** | **Net amount as reported** |
| Derivative financial asset | 24,913,656 | (13,789,974) | 11,123,682 |
| Reverse repurchase agreements | 118,785,865 | (13,146,912) | 105,638,953 |
| Other | 7,362 | (3,236) | 4,126 |
| **Total assets** | **143,706,883** | **(26,940,122)** | **116,766,761** |
| Derivative financial liabilities | (24,913,656) | 13,789,974 | (11,123,682) |
| Reverse repurchase agreements | (118,785,865) | 13,146,912 | (105,638,953) |
| Other | (7,362) | 3,236 | (4,126) |
| **Total liabilities** | **(143,706,883)** | **26,940,122** | **(116,766,761)** |

### 22.2.8. Risk management within clearing member business

*Credit risk*

In its role as CCP clearer to financial market participants, the Group's CCP guarantees final settlement of transactions acting as buyer towards each seller and as seller towards each buyer. It manages substantial credit risks as part of its operations including unmatched risk positions that might arise from the default of a party to a cleared transaction.

Clearing membership selection is based upon supervisory capital, technical and organisational criteria. Each member must pay margins, computed and collected at least daily, to cover the exposures and theoretical costs which the CCP might incur in order to close out open positions in the event of the member's default. Margins are calculated using established and internationally acknowledged risk models and are debited from participants' accounts through central bank accounts and via commercial bank payment systems. Minimum levels of cash collateral are required. Non-cash collateral is revalued daily but the members retain title of the asset and the Group only has a claim on these assets in the event of a default by the member.

Clearing members also contribute to default funds managed by the CCP to guarantee the integrity of the markets in the event of multiple defaults in extreme market circumstances. Amounts are determined on the basis of the results of periodic stress testing examined by the risk committees of the CCP. Furthermore, the Group's CCP reinforces its capital position to meet the most stringent relevant regulatory requirements applicable to it, including holding a minimum amount of dedicated own resources to further underpin the protective credit risk framework in the event of a significant market stress event or participant failure.

An analysis of the aggregate clearing member contributions of margin and default funds across the CCP is shown below:

| *In thousands of euros* | **30 June 2022** | **31 December 2021** |
|---|---|---|
| **Total collateral pledged** | | |
| Margin received in cash | 15,402,829 | 12,148,577 |
| Margin received by title transfer | 1,004,467 | 798,186 |
| Default fund total | 6,611,647 | 6,910,839 |
| **Total on balance sheet collateral (a)** | **23,018,943** | **19,857,602** |
| **Total member collateral pledged** | **23,018,943** | **19,857,602** |

*(a) The counterbalance of the total on balance sheet collateral is included in the line 'other payables to clearing members' in the table at Note 22.1*

Investment counterparty risk for CCP margin and default funds is managed by investing the cash element in instruments or structures deemed 'secure', including through direct investments in highly rated, 'regulatory qualifying' sovereign bonds and supra-national debt, investments in tri-party and bilateral reverse repos (receiving high-quality government securities as collateral) in certain jurisdictions and deposits with the central bank of Italy. The small proportion of cash that is invested unsecured is placed for short durations with highly rated counterparties where strict limits are applied with respect to credit quality, concentration and tenor.

| *In thousands of euros* | **30 June 2022** | **31 December 2021** |
|---|---|---|
| **Investment portfolio** | 4,901,253 | 4,460,408 |
| **CCP other financial assets (a)** | **4,901,253** | **4,460,408** |
| Clearing member cash equivalents - short term deposits | 90,287 | 175,378 |
| Clearing member cash - central bank deposits | 10,148,097 | 10,479,680 |
| Clearing member cash - other banks | 5,945 | 10,118 |
| **Total clearing member cash (b)** | **10,244,329** | **10,665,176** |

*(a) The CCP other financial assets are included in the line 'Debt instruments at fair value through other comprehensive income' in the table at Note 22.1.*

*(b) The total clearing member cash is included in the line 'Cash and cash equivalents of clearing members'' in the table at Note 22.1.*

Distress can result from the risk that certain governments may be unable or find it difficult to service their debts. This could have adverse effects, particularly on the Group's CCP, potentially impacting cleared products, margin collateral, investments, the clearing membership and the financial industry as a whole.

Specific risk frameworks manage country risk for both fixed income clearing and margin collateral and all clearing members' portfolios are monitored regularly against a suite of sovereign stress scenarios. Investment limits and counterparty and clearing membership monitoring are sensitive to changes in ratings and other financial market indicators, to ensure the Group's CCP is able to measure, monitor and mitigate exposures to sovereign risk and respond quickly to anticipated changes. Risk Committees maintain an ongoing watch over these risks and the associated policy frameworks to protect the Group against potentially severe volatility in the sovereign debt markets.

The Group's sovereign exposures at the end of the financial reporting period were:

| *In thousands of euros* | 30 June 2022 | 31 December 2021 |
|---|---|---|
| **Sovereign investments** | | |
| Italy | 2,130,721 | 2,124,637 |
| Spain | 1,052,269 | 976,955 |
| EU Central (a) | 631,432 | 684,495 |
| Portugal | 540,920 | 677,301 |
| France | 327,218 | 118,289 |
| Germany | 66,974 | 53,789 |
| Ireland | 95,059 | — |
| Netherlands | 47,226 | 320 |
| Belgium | 99,722 | — |
| **Total for all countries (b)** | **4,991,541** | **4,635,786** |

*(a) 'EU Central' consists of supra-national debts.*
*(b) The total sovereign investments include the investment portfolio of CCP clearing business assets as disclosed in the line 'Debt instruments at fair value through other comprehensive income' in the table at Note 22.1.*

*Liquidity risk*
The Group's CCP must maintain a level of liquidity (consistent with regulatory requirements) to ensure the smooth operation of its respective markets and to maintain operations in the event of a single or multiple market stress event or member failure. This includes the potential requirement to liquidate the position of a clearing member under a default scenario including covering the associated losses and the settlement obligations of the defaulting member.

The Group's CCP maintains sufficient cash and cash equivalents and has access to intraday central bank refinancing (collateralized with ECB eligible bonds) along with commercial bank credit lines to meet in a timely manner its payment obligations. As at 30 June 2022, the Group's CCP had €420 million credit lines granted by commercial banks serving as liquid recourse to mitigate liquidity risks according to EMIR regulation. None of the credit lines had been used as of 30 June 2022.

Revised regulations requires the CCP to ensure that appropriate levels of back-up liquidity are in place to underpin the dynamics of a largely secured cash investment requirement, ensuring that the maximum potential outflow under extreme market conditions is covered (see credit risk section). The Group's CCP monitors its liquidity needs daily under normal and stressed market conditions. Where possible, the Group employs guaranteed delivery versus payment settlement techniques and manages CCP margin and default fund flows through central bank or long-established, bespoke commercial bank settlement mechanisms. Monies due from clearing members remain the clearing members' liability if the payment agent is unable to effect the appropriate transfer. In addition, the Group's CCP maintains operational facilities with commercial banks to manage intraday and overnight liquidity.

In line with the investment policy and the regulatory requirements, the Group's CCP has partially invested the default funds and margin in government bonds, with an average maturity of around 12 months as per 30 June 2022. Even though these financial assets are generally held to maturity, a forced liquidation of the investment portfolio could lead to losses and lack of required liquidity.

| *In thousands of euros* | Maturity < 1 year | Maturity between 1 and 2 years | Maturity between 2 and 3 years | Total |
|---|---|---|---|---|
| **30 June 2022** | | | | |
| Investment portfolio | 2,814,432 | 1,822,679 | 264,142 | 4,901,253 |
| **31 December 2021** | | | | |
| Investment portfolio | 2,721,945 | 533,789 | 1,204,674 | 4,460,408 |

The table below analyses the Group's CCP financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table reflect the contractual undiscounted cash flows.

| *In thousands of euros* | Maturity < 1 year | Maturity between 1 and 5 years | Maturity > 5 years | Total |
|---|---|---|---|---|
| **30 June 2022** | | | | |
| CCP clearing member liabilities | 168,696,512 | — | — | 168,696,512 |
| **31 December 2021** | | | | |
| CCP clearing member liabilities | 137,732,403 | — | — | 137,732,403 |

*Interest rate risk*
The Group's CCP faces interest rate exposure through the impact of changes in the reference rates used to calculate member liabilities versus the yields achieved through their predominantly secured investment activities.

In the Group's CCP, interest bearing assets are generally invested in secured instruments or structures and for a longer term than interest bearing liabilities, whose interest rate is reset daily. This makes investment revenue vulnerable to volatility in overnight rates and shifts in spreads between overnight and term rates. On daily basis the interest rate risk associated to investments is monitored via capital requirements.

The Group's CCP has an investment policy, mitigating market risks. The Group's CCP investments have an average duration of around one year and are generally held until maturity. Losses will not materialise unless the investment portfolio is liquidated before maturity or in an event of portfolio rebalancing before maturity. In case of a forced liquidation of the CCP's financial investment portfolio before maturity to provide necessary liquidity, the CCP may face higher interest rate exposure on its financial investment portfolio. The interest rate exposure of the investment portfolio is predominantly at fixed rates (only a negligible part is at floating rates) at the amounts and maturities as disclosed at Liquidity risk above. As per 30 June 2022, an increase/decrease of the rate by 100 basis points would have an increasing/decreasing impact on the investment portfolio market value of €48 million or 0.96%.

## 23. Related parties

### 23.1. Transactions with related parties

The Group has related party relationships with its associates, joint ventures and key management personnel. The nature of related party transactions during the six months period ended 30 June 2022 did not significantly deviate from the nature of transactions as reflected in the consolidated financial statements as at and for the year ended 31 December 2021. Transactions with subsidiaries are eliminated on consolidation. The interests in group companies are set out in Note 5.

Euronext Clearing has an interoperability agreement in place with associate LCH SA, covering trades in Italian Government bonds executed on MTS markets. No cross-charges of revenue or expenses are recognized in connection with this agreement.

### 23.2. Key management personnel

During the first six months of 2022, the following mutations in the Group’s key management personnel have occurred:

***Managing Board***
On 17 May 2022, the Group announced that Manuel Bento was appointed as Chief Operating Officer and Member of the Managing Board of Euronext N.V., subject to regulatory and shareholder approvals. This follows the decision from Georges Lauchard to resign from his position as Chief Operating Officer and Member of the Managing Board of Euronext N.V. as per 10 June 2022. On 18 May 2022, Fabrizio Testa as CEO of Borsa Italiana was appointed as a Member of the Managing Board of Euronext N.V.

***Supervisory Board***
No changes in the Supervisory Board occurred to date.

With the exception of the above there were no other changes in key management personnel during the six months period ended 30 June 2022. Other arrangements with key management have remained consistent since 31 December 2021.

## 24. Contingencies

The Group is involved in a number of legal proceedings that have arisen in the ordinary course of Euronext’s business. Set out below are the legal proceedings that had changes in status, compared to what has been reported in Note 38 ”Contingencies” of the Group’s Consolidated Financial Statements for the year ended 31 December 2021. No new material legal proceedings occurred during the six months period ended 30 June 2022.

**Euronext Amsterdam Pension Fund**
In the court case between Euronext Amsterdam and approximately 120 retired and/or former Euronext Amsterdam employees, united in an association ("VPGE"), Euronext has lodged an appeal in Cassation before the Supreme Court. On 29 October 2021, the Attorney General ("Advocaat-Generaal") advised the Supreme Court to annul the decision of the Higher Court and to reject the cross-appeal filed by VPGE. The Supreme Court will decide on 2 September 2022.

No provision was booked in connection with this case.

## 25. Events after the reporting period

In July 2022, Euronext Clearing reduced its investment portfolio with the aim of strengthening and preserving its available regulatory capital and aligning the investment strategy to the current level of market volatility and uncertainty.

As a result, Euronext Clearing disposed of its portfolio maturing after 1 May 2023. A post-tax loss of €35 million on this transaction will be recorded in Q3 2022. Euronext Clearing decided to retain its short-term investment portfolio maturing through April 2023 and hold these to maturity.

Amsterdam, 28 July 2022

**Stéphane Boujnah**
Chief Executive Officer and Chairman of the Managing Board

**Giorgio Modica**
Chief Financial Officer

# III. Management Statement

The Company Management hereby declares that to the best of its knowledge:

- The interim condensed consolidated financial statements prepared in accordance with IAS 34 “Interim Financial Reporting”, give a true and fair view of the assets, liabilities, financial position and profit or loss of Euronext N.V. and the undertakings included in the consolidated as a whole; and

- The semi-annual report includes a fair review of the information required pursuant to section 5:25d(8) (9) of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Amsterdam, 28 July 2022

**Stéphane Boujnah**
Chief Executive Officer and Chairman of the Managing Board

**Giorgio Modica**
Chief Financial Officer

# IV. Independent auditor's review report

To: the shareholders and supervisory board of Euronext N.V.

**Our conclusion**
We have reviewed the condensed interim consolidated financial statements included in the accompanying semi-annual financial report of Euronext N.V. based in Amsterdam for the period from 1 January 2022 to 30 June 2022.

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of Euronext N.V. for the period from 1 January to 30 June 2022, are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting", as adopted by the European Union.

The condensed interim consolidated financial statements comprise:

- The condensed interim consolidated statement of profit or loss
- The condensed interim consolidated statement of comprehensive income
- The condensed interim consolidated balance sheet
- The condensed interim consolidated statement of cash flows
- The condensed interim consolidated statement of changes in equity
- The notes comprising of a summary of the significant accounting policies and other explanatory information

**Basis for our conclusion**
We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the Our responsibilities for the review of the condensed interim consolidated financial statements section of our report.

We are independent of Euronext N.V in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

**Responsibilities of management for the condensed interim consolidated financial statements**
Management is responsible for the preparation and presentation of the condensed interim consolidated financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the condensed interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing Euronext's financial reporting process.

**Our responsibilities for the review of the condensed interim consolidated financial statements**
Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a review engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the review, in accordance with Dutch Standard 2410. Our review included among others:

- Updating our understanding of Euronext N.V. and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the condensed interim consolidated financial statements where material misstatements are likely to arise due to fraud or error, designing and performing analytical and other review procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion
- Obtaining an understanding of internal control as it relates to the preparation of condensed interim consolidated financial statements
- Making inquiries of management and others within Euronext N.V.
- Applying analytical procedures with respect to information included in the condensed interim consolidated financial statements
- Obtaining assurance evidence that the condensed interim consolidated financial statements agree with, or reconcile to, Euronext's underlying accounting records
- Evaluating the assurance evidence obtained
- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle
- Considering whether management has identified all events that may require adjustment to or disclosure in the condensed interim consolidated financial statements
- Considering whether the condensed interim consolidated financial statements have been prepared in accordance with the applicable financial reporting framework and represent the underlying transactions free from material misstatement

Amsterdam, 28 July 2022

Ernst & Young Accountants LLP

signed by J.G. Kolsters